

National Park Service
Answers to Questions about Prospectus CC-NACE005-08

QUESTION 1: Location: NPS Management Policy Topic: Org Structure
Pursuant to NPS Management Policy 10.2.3.4 which states "The National Park Service also encourages, through outreach, the participation of American Indian, minority and women-owned businesses when new business activities occur. Does the National Park Service recognize minority owned and operated offerors in any way during the evaluation of proposals?
NPS Response to Question 1: The evaluation of the proposals will be based upon the questions asked in the Proposal Package.

QUESTION 2:	Location: Business Opportunity	Topic: PI
<p>The National Park Service has stated in the prospectus that the possessory interest is estimated to be zero. However, the National Park Service has neglected to inform Golf Specialists of NPS' agreement to our requested possessory interest value. However, in the event that the National Park Service does not agree to our value or a negotiated value is not possible before March 2008 (estimated contract start time), will the offeror selected be obligated to pay Golf Specialists for a PI Value determined by arbitration? If not, will the possessory interest be negotiated before March 2008?</p> <p>NPS Response to Question 2: The National Park Service has settled Possessory (PI) Interest with the concessioner. The PI due the incumbent from successful offeror is \$0.00.</p>		

QUESTION 3:	Location: Business Opportunity	Topic: PI
Does the National Park Service guarantee that the winning offeror will not have to pay any possessory interest to the current contract holder?		
NPS Response to Question 3: The National Park Service has settled Possessory (PI) Interest with the concessioner. The PI due the incumbent from successful offeror is \$0.00.		

QUESTION 4: Location: Business Opportunity Topic: PI
Given the amount of improvements made at Langston Golf Course in the last 10 years, what is the reasonable range of possible possessory interest that could be due to the current contract holder?
NPS Response to Question 4: The National Park Service has settled Possessory (PI) Interest with the concessioner. The PI due the incumbent from successful offeror is \$0.00.

QUESTION 5: Location: Business Opportunity Topic: Services
The contract states that driving range operations are authorized for Rock Creek golf course, but there is no building improvement program in place to construct a driving range? How does the park service reconcile these two divergent facts?
NPS Response to Question 5: The National Park Service has "authorized" driving range services; they are not "required". As such, they are not a mandatory requirement of the contract, but may be provided by the offeror.

QUESTION 6:	Location: Business Opportunity	Topic: CFIP
Why are there no provisions for any capital improvements in the contract?		
NPS Response to Question 6: The NPS has determined through its contract requirements, what are the most appropriate needs of the contract for the contract term.		

QUESTION 7: Location: Business Opportunity Topic: PI
Since the National Park Service has stated that the amount of Possessory Interest due to the current contract holder is \$0.00, will the Park Service be willing to negotiate down the offered franchise fee percentage with the winning offeror in the event that the winning offeror has to pay the current contract holder for the improvements made to the courses over the previous contract?

NPS Response to Question 7: The National Park Service has settled Possessory (PI) Interest with the concessioner. The PI due the incumbent from successful offeror is \$0.00.

QUESTION 8: Location: Business Opportunity & Proposal Package Letter to Director Item #6 Topic: PI

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If, following arbitration with the current contract holder, the amount of possessory interest due to the current contract holder is sufficiently large so as to make the business unprofitable; will the winning offeror be permitted to walk away from the contracts?

NPS Response to Question 8: The National Park Service has settled Possessory (PI) Interest with the concessioner. The PI due the incumbent from successful offeror is \$0.00.

QUESTION 9: Location: Business Opportunity & Proposal Package Letter to Director Item #6 Topic: PI
What does the current contract holder believe the possessory interest to be?

NPS Response to Question 9: The National Park Service has settled Possessory (PI) Interest with the concessioner. The PI due the incumbent from successful offeror is \$0.00.

QUESTION 10: Location: Business Opportunity & Proposal Package Letter to Director Item #6 Topic: PI
If the current contract holder does not agree with the Park Service's assessment of \$0.00 of possessory interest, will the burden of going to arbitration regarding the amount of possessory interest due the current contract holder be put on the winning offeror?

NPS Response to Question 10: The National Park Service has settled Possessory (PI) Interest with the concessioner. The PI due the incumbent from successful offeror is \$0.00.

QUESTION 11: Location: Proposal Instructions, Page 6 Topic: Org Structure
What is definition of "3rd party agreement"?

NPS Response to Question 11: The National Park Service requires that the provision of the required and authorized services must be accomplished by the party that enters into the concession contract. A third party cannot be assigned these responsibilities.

QUESTION 12: Location: Proposal Instructions, page 6 Topic: Org Structure
What is NPS definition of "Management Agreement"? If an Offeror is a subsidiary of a parent business, is this viewed as a management contract?

NPS Response to Question 12: The National Park Service requires the provision of the required and authorized services be accomplished by the party that enters into the concession contract. Support services, which may include human resources, payroll, accounting, and repair and maintenance staffing and equipment, can be provided to the concessioner under a management agreement.

QUESTION 13: Location: Proposal Instructions Topic: Org Structure
How can resources be shared between Parent/Subsidiary so it is NPS permissible?

NPS Response to Question 13: The National Park Service requires the provision of the required and authorized services be accomplished by the party that enters into the concession contract. Support services which may include human resources, payroll, accounting, and repair and maintenance staffing and equipment can be provided to the concessioner under a Parent/Subsidiary management agreement.

QUESTION 14: Location: Proposal Package, Page 13, Subfactor 4b2g Topic: Org Structure
The Prospectus indicates that a management fee/OH assessment is permissible, yet it also states that a Management Agreement is not allowed (Instructions p.6). Please define how a "management fee" is permissible. And what is NOT permissible in terms of Parent/subsidiary bookkeeping?

NPS Response to Question 14: The National Park Service requires the provision of the required and authorized services be accomplished by the party that enters into the concession contract. Support services can be provided to the concessioner under a management agreement for which a management fee is charged. Such agreement and associated costs and fees should be clearly stated and evident in the response to the organizational structure as well as on the financial statements to be provided in the Proposal Package.

QUESTION 15: Location: Proposal Package, Page 13, Item g Topic: Management Fee
The Prospectus states that a Management Agreement is not permissible, so is a "Management Fee" allowed as noted in "item g"?

NPS Response to Question 15: The National Park Service requires the provision of the required and authorized services be accomplished by the party that enters into the concession contract. Support services can be provided to the concessioner under a management agreement for which a management

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fee is charged. Such agreement and associated costs and fees should be clearly stated and evident in the response to the organizational structure as well as on the financial statements to be provided in the Proposal Package.

QUESTION 16: Location: Proposal Package Topic: R&M

To prepare cost estimates for potential R&M projects necessary to modernize facility, if a golf course project like -- repair/replace greens, tees, fairways (as noted in the Prospectus Maintenance Plan) is considered a capital improvement per IRS Code, then will this project be allowed by NPS since the investment would be "LSI eligible" --even if Offeror proposed/agreed to waive LSI?

NPS Response to Question 16: The items mentioned in the Draft Contract are sample projects relating to both golf and non-golf facilities that are non - recurring within a seven year time frame. As such they would be eligible for consideration for the use of the Repair and Maintenance Reserve. However, as stated in Section 9. (c) (5) no projects completed with the Repair and Maintenance Reserve will be eligible for LSI.

QUESTION 17: Location: Proposal Package, PSF5 Topic: Scoring

It is specified that subfactors are weighted evenly unless otherwise noted. Please confirm that the Franchise fee and the R&M Reserve are each valued at "2" points each? If not, what weight is given to each?

NPS Response to Question 17: Information on the scoring for Principal Selection Factor 5 is provided in the Proposal Package Instructions.

QUESTION 18: Location: Operating Plan, Page A-12, 6A3 Topic: Staff

For Head pro position, NPS states that the individual must be active in PGA. Is this suggesting that LPGA (Ladies Professional Golf Association) and USGTF (United States Golf Teachers Federation) credentials do not meet the minimum requirement?

NPS Response to Question 18: No. The National Park Service has requested that the professional resumes be provided as part of Principal Selection Factor 3, Subfactor3b. The National Park Service will consider qualifications of various nationally recognized professional associations under this category and determine if the Operating Plan should be altered to identify other credentialing organizations.

QUESTION 19: Location: Operations Plan Page A-18 8 C2 Topic: R&M

Monthly, concessioner will report on previous months R&M reserve deposit, including a copy of the wire transfer identifying the account and amount transferred. Does this mean a separate bank account is required?

NPS Response to Question 19: Concession Contract Section 9 (3) indicates that the Repair and Maintenance Reserve will be established within the Concessioner's accounting system. A separate bank account is not required.

QUESTION 20: Location: Maintenance Plan Topic: R&M

Is there a fixed dollar cutoff for improvements that can be made under the R&M fund?

NPS Response to Question 20: There is no fixed dollar cutoff for Repair and Maintenance Reserve Fund projects. However, the Concession Contract Section 9 (1) outlines the types of projects that Repair and Maintenance Reserve funds can be used for, while Section 9(5) includes requirements for projects that these funds cannot be used for.

QUESTION 21: Location: Maintenance Plan Topic: R&M

Can the R&M fund be used for projects or purchases that would require capitalization under IRS rules?

NPS Response to Question 21: As stated in Section 9 (c) (1), the Repair and Maintenance Reserve fund can be used on projects that are non-recurring within a seven year period. How a concessioner chooses to identify these projects for tax purposes based upon IRS rules is the concessioner's determination. The NPS will be responsible for determining if a proposed project is a major rehabilitation and if said project is, the Repair and Maintenance Reserve funds shall not be used.

QUESTION 22: Location: Maintenance Plan Topic: R&M

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Can projects or purchases that would normally be considered possessory interest items be made using the R&M fund?

NPS Response to Question 22: Section 9 (c) (5) of the Contract indicates that the Concessioner shall obtain no LSI as a consequence of the expenditure of Repair and Maintenance Reserve funds.

QUESTION 23: Location: Maintenance Plan Topic: R&M

Can new structures be built using the R&M fund?

NPS Response to Question 23: New structures cannot be built with the Repair and Maintenance Reserve funds.

QUESTION 24: Location: Maintenance Plan Topic: R&M

Can the R&M fund run a deficit in order to frontload improvements at the beginning of the contract?

NPS Response to Question 24: As part of the reporting requirements included in the Operating Plan and Maintenance Plan, the Concessioner will submit annually lists of projects for the upcoming year. Projects may be funded out of the Repair and Maintenance Reserve Fund as sufficient funds are accrued.

QUESTION 25: Location: Maintenance Plan Topic: R&M

Can the concessioner contribute additional capital to R&M projects if R&M reserves are not sufficient to cover the expense of a project?

NPS Response to Question 25: The Concessioner can contribute additional capital to Repair and Maintenance Reserve projects in addition to funds from the Repair and Maintenance Reserve Fund. The concessioner will not receive LSI credit for these additional funds based on the project guidelines found on the Draft Contract and 36CFR Part 51. At any time the Concessioner may fund additional improvements and agree to waive LSI, with prior approval of the Service

QUESTION 26: Location: Maintenance Plan Topic: R&M

Can the Park Service dictate R&M fund projects or purchases without approval of the concessioner?

NPS Response to Question 26: Section 3 C) (2) of the Draft Contract and Exhibit H (Maintenance Plan) to the Draft Contract outline the process for developing the Repair and Maintenance Reserve plan and indicates how the NPS will review and provide feedback on the plan.

QUESTION 27: Location: Maintenance Plan

Irrigation should be conducted where irrigation is available. How many irrigation heads does each property have by tee, fairway, green?

NPS Response to Question 27: Rock Creek Golf Course has approximately 80 irrigation heads on the greens and approximately 40 on the tees. The fairways are not irrigated. Langston Golf Course has approximately 85 irrigation heads on the greens, approximately 40 on the tees, and approximately 80 on the fairways. There are approximately 20 irrigation heads on the driving range at Langston Golf Course.

QUESTION 28: Location: Maintenance Plan

What is the primary water source for both courses?

NPS Response to Question 28: The primary water source at Rock Creek Golf Course is the municipal water system. The primary water source at Langston Golf Course is Kingman Lake, which is fed by the Anacostia River.

QUESTION 29: Location: Maintenance Plan

Is the existing irrigation system manual or automatic? How many satellite controllers does each course have?

NPS Response to Question 29: The irrigation system at Rock Creek Golf Course is manual and at Langston Golf Course the system is automatic. There are no satellite controllers at Rock Creek Golf Course. Langston Golf Course has approximately 20 satellite controllers.

QUESTION 30: Location: Maintenance Plan

Are the greens built to USGA standards?

NPS Response to Question 30: The greens are built to recreational standards.

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QUESTION 31: Location: Maintenance Plan Topic:
Is it the Park Service's assessment that large scale capital improvement in the courses is not necessary?
NPS Response to Question 31: The National Park Service has evaluated its options for development within the course of the contract term and has not included a required capital improvement project program.

QUESTION 32: Location: Topic:
What does it mean to deliver the "at-risk youth program" at "no cost" to the golf operation?
NPS Response to Question 32: The NPS estimates there will be no financial expense to the successful offeror to provide this program to at-risk youth.

QUESTION 33: Location: Topic: "Revenue & Marketing"
Please provide detailed counts of rounds of golf played for the past five (5) years:
a. by day (weekday / weekend)
b. by holes (18 hole / 9 hole)
c. by type (regular / twilight / discount / member / outings / junior / senior / camp)
d. by residency (resident / non resident)
e. by cart utilization (18 hole / 9 hole) for each year and, if available, by month within each year, as applicable. If greater detail is available, please provide.
NPS Response to Question 33: The prospectus provides business performance data determined releasable in the Business Opportunity section of the Prospectus.

QUESTION 34: Location: Topic: "Revenue & Marketing"
Is there an Annual Membership Program? Please provide details of the program, including its costs and benefits.
NPS Response to Question 34: There are no memberships. Rock Creek and Langston Golf Courses are public courses in the National Park system.

QUESTION 35: Location: Topic: "Revenue & Marketing"
How many annual memberships were sold each of the last five (5) years, including the breakdown of members by category (i.e., full, weekday, senior, junior)?
NPS Response to Question 35: There are no memberships. Rock Creek and Langston Golf Courses are public courses in the National Park system.

QUESTION 36: Location: Topic: "Revenue & Marketing"
Are there any Card or Pass Programs? Please provide details of the program, including its costs, benefits, and the number of participants.
NPS Response to Question 36: There is no card or pass program at Rock Creek or Langston Golf Courses.

QUESTION 37: Location: Topic: "Revenue & Marketing"
Is there a database of the golfers / customers? How many records? Approximately what percentage has a mailing address? Approximately what percentage has an e-mail address?
NPS Response to Question 37: The NPS does not maintain a database of the golfers / customers.

QUESTION 38: Location: Topic: "Expenses & Operations"
The detailed personal property list is dated June 1, 2005. Is this the most up to date list of maintenance equipment, furniture and fixed to be purchased by the new contractor.
NPS Response to Question 38: Yes, this is the most current list of personal property. The successful offeror is responsible for the verification and valuation of inventory during the purchase process.

QUESTION 39: Location: Topic: "Expenses & Operations"
Please provide a detailed list of the upcoming five (5) year capital expense plan, including projected cost and priority level.

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NPS Response to Question 39: The National Park Service has evaluated its options for development within the course of the contract term and has not included a required capital improvement project program.

QUESTION 40: Location: Topic: "Expenses & Operations"
Please provide a detailed list of the past five (5) years of capital projects completed, including actual cost.
NPS Response to Question 40: The current concessioner has completed all Capital Improvement Projects called for under their contract. Langston golf course completed renovation of the maintenance building in 2003, cost \$3,794. Rock Creek golf course completed the installation of an accessible ramp in 2002, cost \$28,978 and in 2005 a top rail for the ramp in 2005, cost \$1185.

QUESTION 41: Location: Topic: "Expenses & Operations"
What is the source for water irrigation? Is there ever a concern that there will not be enough water? What is the back-up if this source runs low?
NPS Response to Question 41: The primary water source at Rock Creek Golf Course is the municipal water system. The primary water source at Langston Golf Course is Kingman Lake, fed by the Anacostia River. We are unaware of a concern that there will be insufficient water. There is no back-up if this source runs low.

QUESTION 42: Location: Topic: "Agronomy"
How old is the current irrigation system and what system is being used?
NPS Response to Question 42: The irrigation system at Rock Creek Golf Course is between 20 and 25 years old. Portions of the irrigation system at Langston Golf Course were installed between 1991-1993 and 1997-1998. The front greens irrigation system at Langston is between 20 and 25 years old.

QUESTION 43: Location: Topic: "Agronomy"
What has been the annual cost of water for the past five (5) years?
NPS Response to Question 43: NPS does not maintain these records. The concessioner is responsible for maintenance of these records.

QUESTION 44: Location: Topic: "Agronomy"
Please provide a copy of the superintendent's fertilization and chemical application records for the past three (3) years.
NPS Response to Question 44: NPS does not maintain these records. The concessioner is responsible for maintenance of these records.

QUESTION 45: Location: Topic: "Agronomy"
Please provide a copy of any soil analysis results available.
NPS Response to Question 45: NPS does not maintain these records. The concessioner is responsible for maintenance of these records.

QUESTION 46: Location: Topic: "Agronomy"
Please provide a copy of any irrigation and drainage reports available.
NPS Response to Question 46: NPS does not maintain these records. The concessioner is responsible for maintenance of these records.

QUESTION 47: Location: Topic: "Agronomy"
What is the fuel system being used at the facility? Has it been certified as meeting local environmental regulations?
NPS Response to Question 47: Diesel and gasoline fuels are stored in above ground storage tanks (AST) at Rock Creek and Langston golf courses. The District of Columbia does not have a certification program for ASTs. May 2007 NPS inspection identified NFPA Priority 2 and 3 deficiencies, which do not pose a threat to the human health and the environment, and are in the process of mitigation by the current concessioner.

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QUESTION 48: Location: Topic: "Management"

Is there any current or pending litigation with the current Manager or the facility?

NPS Response to Question 48: The National Park Service is unaware of any current or pending litigation with the current Manager or the facility.

QUESTION 49: Location: Topic: "Management"

Please explain if there is anything current or pending.

NPS Response to Question 49: The National Park Service is unclear how to respond to this question.

QUESTION 50: Location: Topic: "Management"

What is the history for insurance claims over the last three years? Please provide details?

NPS Response to Question 50: The National Park Service is unaware of either a history or a named party in any insurance claims over the last three years. The concessioner is responsible for maintenance of these records.

QUESTION 51: Location: Operations Plan Topic: Retail Rates

(Under) Rate determination—lists Merchandise sales as "markup percentages" rather than competitive market declaration...per our current ops plans at RC and LNG. Will you address these two anomalies in the Q&A for prospectus?

NPS Response to Question 51: The approved methodology for rate determination for the current concessioner at Rock Creek and Langston golf courses is competitive market declaration for retail. The approved methodology for rate determination for the current concessioner at Rock Creek golf course for food and beverage is comparability, and at Langston golf course is core menu.